



Critical Information You Need to Know About the State of Your Water System

The City of Milpitas Department of Public Works is dedicated to providing you, your family, your community and the businesses in our city high quality and reliable water service. We efficiently serve over 77,000 customers and we're on the job 24/7.

Our water system in Milpitas is made up of underground pipes, pump stations, wells, valves, water tanks and reservoirs. Your water is all treated water purchased from two water agencies – San Francisco Public Utilities Commission and Santa Clara Valley Water District – also known as our wholesale water agencies. Water from these agencies is delivered to us and then it goes through our pump stations and pipelines to your homes or businesses each day.



CHALLENGES FACING MILPITAS' WATER SYSTEM

The City of Milpitas has hundreds of miles of water pipelines which are at or near the end of their useful life. As the water infrastructure continues to age, leaks and failures begin to compromise the reliability of the water system. It will be critical to update and replace infrastructure to maintain a safe and reliable system 24/7.

In addition, water costs from our wholesale water providers continues to increase year after year and there have not been any rate increases from the City since 2015. The water fund is projected to lose \$1.36 million in 2018.

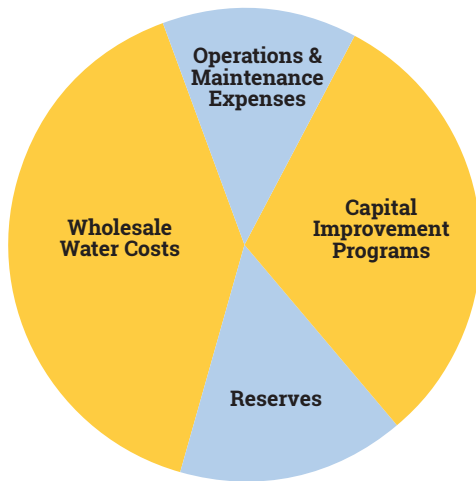
OUR PRIMARY CHALLENGES AND SOLUTIONS INCLUDE:

	Challenge
Our water fund is quickly depleting.	We are projected to lose \$1.36 million in 2018. This puts your water utility at risk.
We have old and aging pipelines and pump stations.	So much of our water system is old and near the end of their useful life. When infrastructure gets to this point it's costly to fix and makes water delivery less reliable. Over \$46 million is needed for infrastructure improvements through 2023.
We didn't pass on past wholesale water supply rate increases to our customers.	The rate increases from our wholesale water agencies have been increasing each year, but the City has not increased water rates to residents since April 2016. This has led to part of our depleting fund balance. Our wholesale water rates are projected to increase by over nine percent each year between 2018 and 2023.

A LOOK AT YOUR WATER BUDGET

Your monthly water bill pays for important Milpitas water system functions. The water budget ensures adequate revenue for the following:

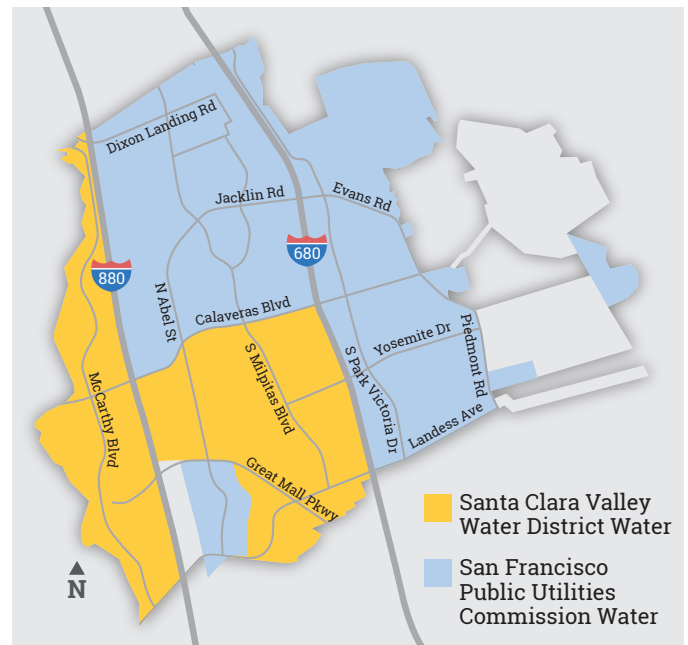
- **Operations and maintenance expenses** to pay for personnel cost, supplies, and repairs to pipelines and facilities
- **Capital improvement programs** to pay for infrastructure replacement and renewal
- **Reserves** includes money needed for emergencies, debt issuance and to maintain our credit rating; we are required to have a reserve fund by our bond holders
- **Wholesale water costs** is a fund that covers water purchases from Milpitas' wholesale water providers



NEXT STEPS

Milpitas will reach out to neighborhoods, community organizations and customers through multi-media channels to provide details about the capital improvement plan, state of our water system and how you can provide input. If you want a presentation or have questions, please email us at milpitasworks@ci.milpitas.ca.gov or call **(408) 586-2600** for more information.

OUR SERVICE AREA



OUR WATER SYSTEM BY THE NUMBERS

